

Chapter 2

Historical Foundations of Management

Planning Ahead

- What can be learned from classical management thinking?
- What did the human resource approaches contribute?
- What is the role of quantitative analysis in management?
- Why are the systems view and contingency thinking still useful?
- What are the trends and directions as management enters the 21st century?

Classical Approaches to Management

Focus: The non human (physical) variables

1- Scientific Management - Frederick Taylor

- Develop for every job rules of motion, standardized work implements, proper working conditions
- Carefully select workers with right abilities for the job
- Carefully train workers to do the job and give proper incentives
- Support workers by carefully planning their work

2- Administrative Principles-Henri Fayol

He stated five managerial functions:

- foresight - complete plan of action for future
- organization - provide resources to implement plan
- command - lead, select, evaluate workers to get the best work
- coordination - fit diverse efforts together
- control - make sure things happen according to plan

3-Bureaucratic Organization - Max Weber

-Bureaucracy

- ideal, intentionally rational and very efficient form of organization

Bureaucratic characteristics (Principles):

- clear division of labor
- clear hierarchy of authority
- formal rules and procedures
- impersonality
- careers based on merit

Human Resource Approaches to Management

Focus: The human variables

Hawthorne studies

- initial study to examine the relationship of economic incentives and physical conditions on worker output
- relationship was not supported
- “psychological factors” interfered with experiment
- factors that accounted for increased productivity: group atmosphere, participative supervision

✓ Lessons

- shift toward social and human concerns as keys to productivity

✓ Hawthorne effect

- people who are singled out for special attention perform as expected
- managers who use good human relations will achieve productivity

–1- Maslow’s Theory of Human Needs

- need: is a physiological or psychological deficiency a person feels the compulsion to satisfy

• Deficit principle

- satisfied need is not a motivator of behavior

• Progression principle

- a need becomes a motivator once the need below it is satisfied

Maslow’s Theory of Human Needs

- **physiological**: the need to eat, drink, sleep, keep biological maintenance
- **safety**: the need to feel secured against any harm
- **social**: the need to interact with others (to love and to be loved)
- **esteem**: to feel recognized and appreciated by others and by yourself

•**self-actualization**: to make use of your potentials to be what you want to be,

2-McGregor's Theory X and Theory Y

an attempt to analyze managers attitudes towards their workers

—According to Theory X, managers believe workers

- dislike work
- lack ambition
- are irresponsible
- are resistant to change
- prefer to be led

—**According to Theory Y, managers believe workers:**

- are willing to work
- are capable of self control
- accept responsibility
- are imaginative and creative
- self-directed

Quantitative Approaches to Management

Management Science Approach

—Scientific applications of mathematical techniques to help making decisions for management problems

- mathematical forecasting
- inventory modeling
- linear programming
- simulation

Modern Approaches to Management

1-Systems Thinking

—system

- collection of interrelated parts that function together to achieve a common purpose, any change in one part will affect the other parts.

—Open Systems

- Organizations that interact with their environments in the continual process of transforming resource inputs into outputs

2- Contingency Thinking

- match managerial responses with:
- opportunities unique to different situations
- no longer “one best way” to manage

Continuing Themes

1-Quality and performance excellence

- ability to meet customer needs 100% of the time

—Value Chain

- A sequence of steps of transforming raw material and inputs into finished goods

2- Global Awareness

Theory Z: It is a management approach that emphasizes:

- Long term employment
- Slower promotion
- More lateral job movements (job rotation)
- Greater attention to career planning
- More use of group decision making
- High emphasis on teamwork

3-Learning OrganizationsContinuously change and improve, using lessons of experience, to accommodate the change and uncertainty in today's environment.

The ingredients of learning orgs:

- 1- mental models: to be open minded to innovations.
- 2- Personal mastery: to understand yourself and others.
- 3- Systems thinking: to know how the whole sys functions.
- 4- Shared vision: to participate in forming the org vision.
- 5- Team Learning: to be able to work within a team

What are the characteristics of the 21st century Manager?

- 1- global strategist: opened to different cultures and global situations.
- 2- Master of technology: possess the know how
- 3- Inspiring Leader: able to encourage and motivate workers towards achieving the org. objectives.
- 4- Model of ethical behavior.: acting ethically, forming certain code for others to follow